MINUTES - REGULAR MEETING
SANTA MARIA CITY COUNCIL

CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA

MAY 16, 2017

INVOCATION:
Pastor Jesse Pinheiro, of Revival Tabernacle Church, gave the Invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG:
Former Mayor Larry Lavagnino led the Pledge of Allegiance.

CALL TO ORDER:
Mayor Patino called the meeting to order at 6:30 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Boysen, Cordero, Moats, Waterfield, and Mayor Patino.

STAFF MEMBERS PRESENT
City Manager Haydon, City Attorney Trujillo, Fire Chief Champion, Director of Finance Harvey, City Librarian Housel, Director of Public Works Kahn, Police Chief Martin, Director of Community Development Ng, Recreation & Parks Director Posada, Assistant City Attorney Sinco, Director of Utilities Springer, Deputy City Manager Stilwell, and Deputy City Clerk Cleary.

1. PROCLAMATIONS/COMMENDATIONS/PRESENTATIONS:
There were no proclamations.

2. PUBLIC COMMENT PERIOD
Nicholas Antuzzi spoke against district elections and urged the Council not to adopt Ordinance 2017-06 establishing a by-district election process.

Abraham Melendrez spoke about his disappointment in the choice of district map included with Ordinance 2017-06 saying it protected Council seats and did not represent what the Santa Maria community really wants. He thanked Councilmember Moats for voting against the Ordinance as presented.

Ernest Armenta spoke about his concerns regarding property taxes and utility bills.

3. CONSENT CALENDAR:
Councilmember Waterfield recused herself from voting on Item 3D (Warrants) due to a financial conflict of interest.

Councilmember Moats requested that Item 3C (District Elections Ordinance) be pulled for a separate vote.

Consent Calendar Items 3A through 3J (except 3C and 3D) were approved on motion by Councilmember Boysen, seconded by Councilmember Cordero, and carried on the following vote: 5-0

AYES: Councilmembers Boysen, Cordero, Moats, Waterfield, and Mayor Patino.
NOES: None
ABSENT: None
ABSTAIN: None

Consent Calendar Item 3C was approved on motion by Councilmember Boysen, seconded by Councilmember Cordero, and carried on the following vote: 4-1

AYES: Councilmembers Boysen, Cordero, Waterfield, and Mayor Patino.
NOES: Councilmember Moats
ABSENT: None
ABSTAIN: None

Consent Calendar Item 3D was approved on motion by Councilmember Boysen, seconded by Councilmember Cordero, and carried on the following vote: 4-0-1

AYES: Councilmembers Boysen, Cordero, Moats, and Mayor Patino.
NOES: None
ABSENT: None
ABSTAIN: Councilmember Waterfield

A. ORDINANCES
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar were adopted by the same vote cast at the first reading unless City Council indicated otherwise.

B. MINUTES
The Minutes of the regular Meeting of the City Council of May 2, 2017, were approved as submitted.

C. APPROVAL OF MAP FOR BY-DISTRICT ELECTION PROCESS
The City Council conducted the second reading and adopted Ordinance No. 2017-06 amending Santa Maria Municipal Code Chapter 2-25 establishing a By-District Election Process with district boundary lines as specified, and setting the sequence of future elections.

Ordinance No. 2017-06 adopted. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AMENDING CHAPTER 2-25 REGARDING ELECTIONS AND THEREBY ESTABLISHING A BY-DISTRICT ELECTION PROCESS.

D. WARRANTS
Warrant Nos. 207173 to 207449 totaling $1,307,862.21 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Finance. Warrant Nos. 199675, 200273, 200899, 206763, 206879, and 207069 were cancelled.

E. PAYROLL
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads, as shown on records on file in the Department of Finance and having been approved for payment by the Director of Finance.

F. ALCOHOLIC BEVERAGE CONTROL LICENSE FOR TARGET
Resolution No. 2017-46 was adopted approving a determination of public convenience for a Type 21 (Off-Sale General) alcoholic beverage license for Target Corporation.

Resolution No. 2017-46 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, DETERMINING THAT PUBLIC CONVENIENCE WILL BE SERVED WITH THE ISSUANCE OF A TYPE 21 (OFF-SALE GENERAL) ALCOHOLIC BEVERAGE LICENSE AT THE TARGET RETAIL STORE LOCATED AT 223 EAST BETTERAVIA ROAD.

G. ANNUAL TRANSPORTATION DEVELOPMENT ACT CLAIM
Resolution No. 2017-47 was adopted approving the Annual Transportation Development Act claim for Fiscal Year 2017-18 which includes $4,952,620 for transit or paratransit purposes, plus State Transit Assistance funds, if available; $83,772 for pedestrian and bikeway facilities; and $123,145 for regional transportation planning distributed to the Santa Barbara County Association of Governments, to be allocated for mass transportation or local transportation planning.

Resolution No. 2017-47 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING THE FILING OF A CLAIM WITH THE SANTA BARBARA COUNTY ASSOCIATION OF GOVERNMENTS FOR ALLOCATION OF TRANSPORTATION DEVELOPMENT ACT FUNDS FOR FISCAL YEAR 2017-18.

H. ANNEXATION AND ASSESSMENTS TO LANDSCAPE MAINTENANCE DISTRICTS
Resolution Nos. 2017-48, 2017-49, and 2017-50 were adopted annexing parcels into the Northwest, South Miller/College Avenue, and Northeast Landscape Maintenance Districts.

Resolution No. 2017-48 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, ANNEXING AND AUTHORIZING THE ASSESSMENT OF LANDSCAPE MAINTENANCE FEES TO PREISKER COMMERCIAL CENTER, CHURCH STREET LAUNDRY, AND THE RESIDENCES AT DEPOT STREET LOCATED IN THE NORTHWEST LANDSCAPE MAINTENANCE DISTRICT (STREETS AND HIGHWAYS CODE SECTION 22500, ET SEQ.).

Resolution No. 2017-49 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, ANNEXING AND AUTHORIZING THE ASSESSMENT OF LANDSCAPE MAINTENANCE FEES TO CRUCIFIED LIFE CHURCH LOCATED IN THE SOUTH MILLER/COLLEGE AVENUE LANDSCAPE MAINTENANCE DISTRICT (STREETS AND HIGHWAYS CODE SECTION 22500, ET SEQ.).

Resolution No. 2017-50 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, ANNEXING AND AUTHORIZING THE ASSESSMENT OF LANDSCAPE MAINTENANCE FEES TO SMOOTH TRANSPORTATION LOCATED IN THE

NORTHEAST LANDSCAPE MAINTENANCE DISTRICT (STREETS AND HIGHWAYS CODE SECTION 22500, ET SEQ.).

I. ENGINEER REPORTS AND INTENT TO LEVY 2017-18 LANDSCAPE ASSESSMENTS
Resolution Nos. 2017-51 and 2017-52 were adopted approving the Engineer's Reports; and declaring the intent to levy and collect the property tax assessments for each of the four Landscape Maintenance Districts and the 22 Special Benefit Zones, and set a public hearing for June 20, 2017, to consider the proposed landscape assessments.

Resolution No. 2017-51 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE ENGINEER'S REPORTS FOR ASSESSMENT PROCEEDINGS.

Resolution No. 2017-52 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS AND SETTING A TIME AND PLACE FOR A PUBLIC HEARING THEREON FOR THE FOUR LANDSCAPE MAINTENANCE DISTRICTS AND THE 22 SPECIAL BENEFIT ZONES.

J. GEORGE S. HOBBS, JR. CIVIC CENTER – CITY PARK
Resolution No. 2017-53 was adopted approving the designation of the George S. Hobbs, Jr. Civic Center as a City Park.

Resolution No. 2017-53 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, TO DESIGNATE THE GEORGE S. HOBBS, JR. CIVIC CENTER COMPLEX AS A CITY PARK.

4. THE NAMING OF BOB ORACH PARK. The City Council considered a recommendation of the Recreation & Parks Commission to adopt a resolution approving the addition of Bob Orach's name to the resource list from which names are selected for City facilities; and naming the City Park at Westgate Ranch "Bob Orach Park."

Director of Recreation & Parks Posada gave a presentation as detailed in the Council Agenda Report. There is an established procedure for putting names on the list from which to name public facilities. The City Manager's Office and Recreation & Parks Department reviewed the nomination of Bob Orach's name and confirmed that it met the requirements to be added to the list. The Recreation & Parks Commission felt that Mr. Orach's years of service to the community as a Recreation & Parks Commissioner and former Councilmember for 30 years, a member of the All-America City Committee, and commitments with various clubs and activities through the Recreation & Parks Department should be recognized. Mr. Posada presented a few photos of Westgate Ranch Park, located in Westgate Ranch Development west of Blosser Road.

Public input.
There were no requests to speak or written communications.

Council discussion.
Resolution No. 2017-54 was adopted approving the addition of Bob Orach's name to the list for naming City facilities; and naming the City Park at Westgate Ranch "Bob Orach Park," on motion by Councilmember Cordero, seconded by Councilmember Waterfield, and carried on the following vote: 5-0

AYES: Councilmembers Boysen, Cordero, Moats, Waterfield, and Mayor Patino.
NOES: None
ABSENT: None
ABSTAIN: None

Mr. Orach thanked the City Council and the Recreation & Parks Department for the honor.

5. THIRD QUARTER FINANCIAL REPORT 2016-17. The City Council considered the Quarterly Financial Report for the third quarter of 2016-2017; and a Budget Amendment report to approve operational changes to the 2016-17 Budget.

Director of Finance Harvey gave a presentation as detailed in the Council Agenda Report. The report focused primarily on the General Fund and the Enterprise Fund. The beginning fund balance of $10,071,910 was the final audited fund balance as of July 1, 2016. Through the third quarter of the 2016-17 fiscal year, sales tax receipts were $1.7 million greater than the third quarter last fiscal year. This increase is directly related to the end of the Triple Flip. Under the Triple Flip, one quarter of the City's

sales tax revenues were retained by the State to guarantee their bond payments and, later in the year, the State reimbursed the City through property tax revenues that were meant for the schools. Thus, this year's third quarter sales tax receipts are 100 percent of sales tax earned through March 31st compared to about 82 percent of the sales tax earned in the first nine months of 2015-16. Without the Triple Flip, the quarter to quarter increase in sales tax would be 3.6 percent or approximately $550,000 greater than the prior year.

NHIS revenue has exceeded projections by 13.1 percent with an annual budget of about $1.3 million. Revenues are 58 percent higher than last year mainly due to the Windset Farms excavation project that occurred between June and October of last year. In December, the City was notified that Chevron would not be hauling NHIS from their Guadalupe Restoration Project to the landfill during calendar year 2017. This, coupled with the wet winter weather, caused NHIS revenues to fall from a three-month average of $418,000 per month during the first quarter to an average of $35,000 per month in the second and third quarters. Staff expects the lower NHIS revenues to continue for the next 15 months. Staff projects NHIS revenues to drop to $400,000 in fiscal year 2017-18 whereas last year's actual receipts were $1,490,000.

Permit revenues are at $3.9 million or 128.4 percent of budget, primarily due to the Enos Ranch development and Windset Farms project.

General Fund expenditures are at 70.4 percent of budget and are currently on course to realize the $1.8 million in salary savings included in the 2016-18 budget to help address the budget deficit. However, expenditures are still expected to exceed revenue estimates by about $400,000.

Measure U revenues through the third quarter are slightly under budget at 73.4 percent or $3.2 million. Expenditures exceeded revenue by about $257,000. Based on the current pace of expenditures over revenues, Measure U funds will be exhausted before the end of fiscal year 2017-18. To address this variance, staff is proposing a budget amendment for Council's consideration to move Fire Department overtime costs from Measure U to the General Fund.

In Enterprise Funds, the water/wastewater revenues exceed expenditures by $3.6 million. Expenditures included the semi-annual debt service payment of $4.6 million of principle and interest on the 2012AB Refunding Bonds.

Regarding the Solid Waste Fund, revenues exceeded expenditures by about $715,000. Staff is recommending four budget amendments for Council's consideration.

Councilmember Boysen clarified that, in the General Fund, expenditures would exceed revenues by about $400,000 and that did not include the LEAF transfer.

Finance Director Harvey confirmed that his statement was correct.

Public Input
Ernest Armenta spoke about Measure U funding and his concern that it funded payroll.

Finance Director Harvey responded that Measure U finances the operational costs of Fire Station No. 5 in the City.

Mayor Patino commented that the overtime expenditures of $482,000 occurred as a result of providing services to the State. The City would be getting back $540,000 in mutual aid revenues which would make up for that.

City Manager Haydon indicated the language on Measure U proposed a quarter-cent use tax to pay for 911 emergency calls for service including, but not limited to, police response, fire response, levee repairs, and other essential City services for at-risk youth. In 2012, the City Council approved expenditures for seven (7) police officers, five (5) police Sergeant positions, one (1) Commander, and the operating costs associated with Fire Station No. 5. Some of the personnel associated with Fire Station No. 5 go out on mutual aid calls for service for the State. The City gets reimbursed for that, however, there is not a mechanism to put that revenue back into Measure U. Since Measure U is a subset of the General Fund, staff felt it would be better accounting practice to identify the overtime and put all of the expenditures for overtime in the General Fund, rather than Measure U. That way the revenues do balance within the operating expenses.

Council discussion
Councilmember Boysen added that Measure U was always going to be used for the operating costs associated with the fire station and not the building itself. The building had been funded at no cost to the tax-payers through Federal Stimulus Funds that the City was qualified to receive during the recession.

Councilmember Moats asked City Manager Haydon if the overtime funds would still be put into the General Fund even if Measure U were fully funded.

City Manager Haydon responded that, from an accounting perspective, staff probably would still put the money back into the General Fund because in the General Fund, even though the City exceeds the appropriations for overtime, there are reimbursement revenues that come directly in to help off-set those overtime expenses. The timing of the reimbursement may not be the best as, for example, the costs may be incurred in May and billed for in June. Through the State process, by the time that revenue comes back to the City it's already September or October. So, the cost is incurred in one fiscal year, but the revenue does not come back to the City until the next fiscal year. It is easier to shift that over to the General Fund because the City receives reimbursement revenue not only for Fire Station No. 5, but also for one-time expenses associated with Stations No. 1 through 4.

Resolution No. 2017-55 was adopted approving budget amendments to the 2016-17 fiscal year and authorizing the City Manager to implement same, on motion by Councilmember Boysen, seconded by Councilmember Waterfield, and carried on the following vote:

AYES: Councilmembers Boysen, Cordero, Moats, Waterfield, and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2017-55 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AMENDMENTS TO THE 2016-17 BUDGET AND AUTHORIZING THE CITY MANAGER TO IMPLEMENT SAME.

REPORT BY CITY MANAGER:
City Manager Haydon reported the next City Council meeting would be in three weeks, on June 6, 2017. Items on the agenda would include a retirement resolution for Lt. Mark Norling; a presentation of the GEM (Going the Extra Mile) award to Dave Portwood; the Buena Vista Park Award of Bid; the Monument Sign Award of Bid; and the first reading of several amendments to the Santa Maria Municipal Code regarding a permitting process for City Parks and the Mayor's duties under the new by-district election process established by the ordinance at this meeting.

ORAL REPORTS OF COUNCILMEMBERS AND OFFICERS (INCLUDING AB1234 REPORTS):
Councilmember Cordero reported that he attended a C3H meeting; UCSB Economic Forecast Project; the Mayor's Task Force on Youth Violence meeting; and the 100th Anniversary of the Santa Maria Inn.

Councilmember Moats reported that he attended the Elks Rodeo Queen Fundraiser, the Kiwanis Scholarship Dinner; the UCSB Economic Forecast Project; the Kiwanis Elks Queen Fundraiser; and the Rotary Barn Party fundraiser.

Councilmember Waterfield reported that she attended career day at St. Louis de Montfort; the Elks Citizen of the Year Dinner; the Villa Del Sol groundbreaking ceremony; the National Day of Prayer event; a LAFCO meeting; the Discovery Museum unveiling of the New Space Launch Center exhibit in partnership with the Vandenberg Air Force Base; the C3H Policy Council meeting; the Veterans' Treatment Court Graduation; the Santa Maria Foursquare Church Mother's Day event; a meeting with GDC representatives regarding the gas station that is planned on the corner of Betteravia and Bradley as part of the Enos Ranch development; and the 100th Anniversary of the Santa Maria Inn celebration.

Councilmember Boysen had no reportable items relating to AB1234.

Mayor Patino reported that she attended the Workforce and Literacy Initiative Forum; the Villa del Sol groundbreaking ceremony; the National Day of Prayer event; the 2017 Youth Impact Awards; a presentation of a Lion's Club Proclamation; the Chamber of Commerce Transportation Committee meeting; a couple Rotary meetings; a Women's Networking Event; the UCSB Economic Forecast Project; the funeral services for former Recreation & Parks Commissioner Henry Grennan; Downtown Fridays; the Steel Magnolias play fundraiser for the League of Women Voters; the Mayor's Task Force on Youth Safety meeting; spoke on the Ben Heighes radio show; and attended the 100th Anniversary of the Santa Maria Inn celebration.

RECESS:
Mayor Patino recessed to a Closed Session at 7:15 p.m. for a CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION pursuant to Section 54956.9 of the Government Code. *City of Santa Maria v. Michael Cohen, et al.* Case No. C081190, California Court of Appeals, Third Appellate District (appeal of Case No. 34-2014-8001918-CU-WM-CDS, Superior Court of California, County of Sacramento).

CLOSED SESSION REPORT:
Following the closed session, the Assistant City Attorney reported that pursuant to California Government Code §54957.1(a)(2), the City Council gave approval to its legal counsel to file a petition for a writ of certiorari with the California Supreme Court to seek review of the decision rendered in City of Santa Maria v. Michael Cohen, et al. Case No. C081190, California Court of Appeals, Third Appellate District. The adverse party is the California Department of Finance and the substance of the litigation involves the Department of Finance's denial of the use of property tax revenues to pay debt on revenue bonds issued by the City of Santa Maria's former redevelopment agency.

ADJOURNMENT:
There being no further business before the City Council, Mayor Patino declared the City Council meeting adjourned at 7:52 p.m.

APPROVED:

June 6, 2017
Date

M. Beth Cleary
Deputy City Clerk and ex officio Clerk of the City Council

Alice M. Patino
Mayor of the City of Santa Maria

ATTEST:

M. Beth Cleary
Deputy City Clerk